# DOUGLAS BLOCK

# Master Plan

Douglas Block Redevelopment Plan

Final - November, 2004

THE WALKER

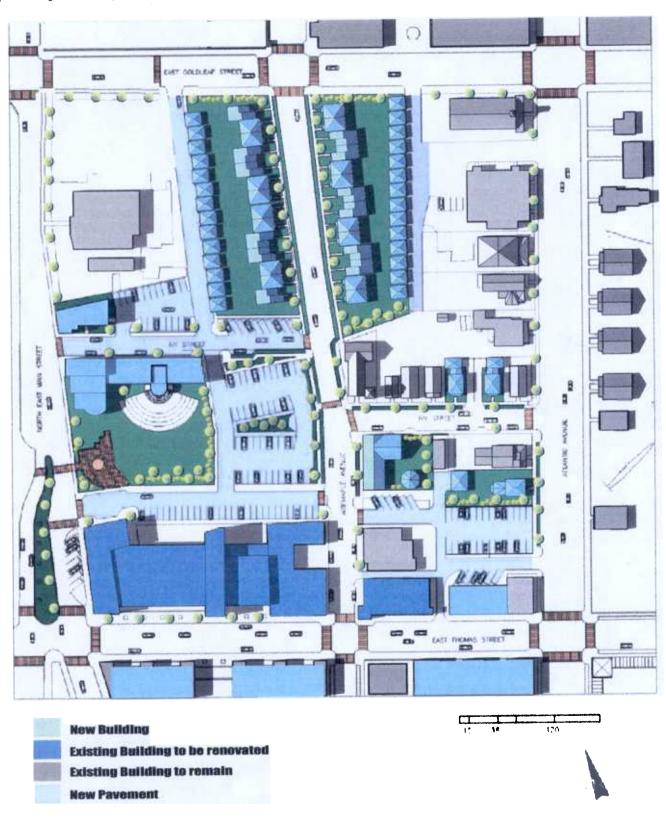
# **Table of Contents**

<u>Topic</u>	Page
Basis for Master Plan	1
Physical Master Plan	2
Artist Rendering	3
Development Program	4
Commercial Development	5-6
Housing	7-8
Community & Interpretive Center	9
Plaza & Amphitheatre	10
Booker T. Theatre	11
Institutional & Recreational Uses	12
Architecture & Urban Design	13-15
Streets, Parking & Multi-Modal Transportation	16-25
Environmental Clean-Up Issues	26
Historic Interpretation	27-30
Market Strategy	31-34
Utilities	35
Estimated Construction Costs	36
Funding & Financial Incentives	37-39
Implementation	40
Implementation Schedule	41-43
Implementation: Greatest Challenges	44
Visual Simulation	45
Appendix A - Historic Theatre Restoration Mod	lels
Appendix B - Target Market & Tenant Matrix	
Appendix C - Existing Funding & Financial Inco	entives
Appendix D - Church Parking	
Appendix E - Construction Cost Ranges	
Appendix F - Attracting a Developer	

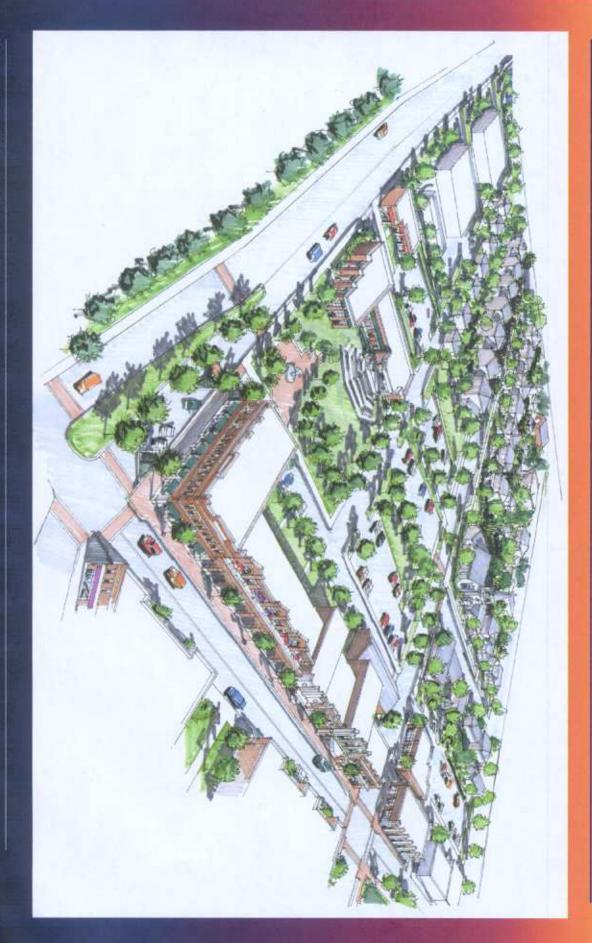
# **Physical Master Plan**

Below is the overall physical master plan for the Douglas Block study area. It represents a much more detailed and fine-tuned version of the Concept Plan prepared as part of the previous charrette process. For the

purposes of this Master Plan, it serves as a sort of table of contents for the balance of the plan document. The following pages will expand upon this physical master plan in much greater detail.



# Draft Master Plan: Overview



# **Development Program**

Below is a chart summarizing the proposed development program, including both new and renovated building space. The total proposed building space is 159,025 sq. ft. This information requires clarification in a few instances, as explained below:

### Retail, Restaurants & Services

For the purposes of preparing the development program, the estimated 42,775 sq. ft. is based upon the assumption that all ground floor areas of all commercial and mixed use buildings, whether new or renovated, would be used for retail, restaurant or service uses.

### **Offices**

This figure was based upon the assumption that one half of all upper floor space in all commercial and mixed use buildings would be used for office purposes.

### Community & Interpretive Center

The proposed 11,000 sq. ft. of building space is based upon this structure having two stories.

### **Single-Family Detached Houses**

It is proposed that the two houses on Ivy Street be 1,800 sq. ft. each, and the one on Atlantic Avenue be 2,500 sq. ft. in floor area.

### **Townhouses**

It is proposed that the 29 proposed townhouses average 1,500 sq. ft. each.

### **Apartments**

This figure was based upon the assumption that one half of all upper floor space in all commercial and mixed use buildings would be used for apartments. A range of unit numbers is provided because the exact mix of sizes cannot be determined at this time. If the high end range of 25 units were developed, they would have an average size of 775 sq. ft. per unit. If the low end range of 15 units were developed, they would have an average size of 1,290 sq. ft. per unit.



For the purposes of preparing the development program, new mixed-use buildings were projected to have half of their upper floor space used for offices and half for apartments.

	nd	Use
121		1.5

Retail, Restaurants & Services

Offices

Community & Interpretive Center

Churches (2)

Mortuary Services (3)

Single-Family Detached Houses (3)

Townhouses (29)

Apartments (15 - 25)

TOTAL BUILDING AREA

### **Building Area / # of Units**

42,775 sq. ft. (new and renovated)

19,375 sq. ft. (new and renovated)

11,000 sq. ft. (new)

5,700 sq. ft. (existing)

11,200 sq. ft. (existing)

6,100 sq.ft. (new)

43,500 sq.ft. (new)

19,375 sq. ft. (new)

159,025 sq.ft. (new and renovated)

# **Environmental Clean-Up Issues**

### **Background**

A document entitled "Douglas Block Redevelopment Project HUD Modified Format II Environmental Assessment" was prepared for the City in March 2004. The Background Study component of this master plan reviewed this environmental assessment in detail. Although the study was based on speculation regarding the future land uses and development characteristics of the study area, a "Finding of No Significant Impact" (FONSI) was made. As a result, a full Environmental Impact Study (EIS), which would be more intensive and costly, will not be required. Because of the study area's urban context, no environmentally sensitive natural resources were found.

### Recommendations

Recommendations related to noise and vibrations were the most significant issues addressed in the environmental assessment, as follows:

### Noise Abatement

One of the most significant findings of the environmental assessment was the determination that noise abatement measures should be taken in association with any future development along the study area's eastern and western boundaries. Using calculations following noise assessment guidelines, the study concluded that "Proximity of the site to the railroad tracks will require sound barriers on the west side of the project." Likewise, truck traffic on Atlantic Avenue prompted the study's recommendations for sound barriers along this side of the site as well. Despite these conclusions, it is strongly recommended that sound barriers not be pursued for this area, as they would be unattractive and form a physical barrier that would isolate the site from the balance of downtown. There are numerous examples around the country of active rail lines traversing downtowns, and these places continue to successfully attract new development and new residents, even for properties directly adjacent to the rail lines. Urban dwellers tend to have a much greater tolerance for noise and similar characteristics of downtowns. Also, most of the sound enters buildings through windows, and specially insulated windows for combating noise are available and generally not cost prohibitive.

### **Vibration Impacts**

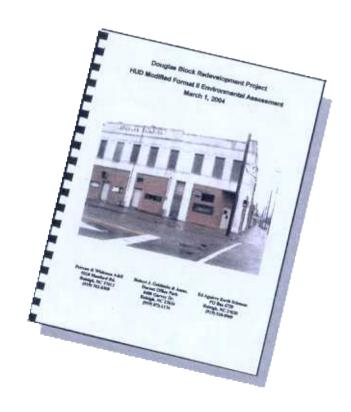
The study also recommended that no footing excavations occur within 100 ft. of the railroad tracks because of vibrations from the trains. Although following this recommendation as part of the area's redevelopment should not pose a major hurdle, it would result in any new buildings fronting Main Street, north of the Douglas Building, to be set back approximately 20 ft. from the front setback that would otherwise likely occur (along the street's sidewalk). Because it is most desirable to have buildings directly fronting the sidewalk, this issue should be further researched before limiting future development because of railroad vibrations.

### Lead & Asbestos Abatement

Two materials often found in older buildings, including some of the existing commercial buildings in the study area, are lead and asbestos. Lead is often found in paint, and asbestos is found in floor and ceiling materials and pipe insulation. Removal of such materials will be required whether buildings are renovated or demolished, and the removal process must follow federal standards. The degree of required lead and asbestos abatement will have to be determined on a building-by-building case, and the costs will impact the viability of redevelopment.

### Additional Environmental Testing

The environmental assessment determined that some portions of the study area contain arsenic and additional testing is warranted. In particular, the former warehouse area will require further environmental evaluation.



# **Estimated Construction Costs**

The estimated construction costs below are for private sector construction costs, as well as public sector individual project costs. Such costs include the development of buildings, parking lots, driving areas, and site improvements, such as landscaping. These costs do not include utilities and public infrastructure, such as

new roads, streetscapes or public parks and plazas. They also do not include the costs for creating interpretive exhibits. The total estimated costs are \$10,687,491. These estimates are based upon an average quality level of construction. For ranges in quality and cost above and below this level, see Appendix E.

Site Improvement Costs		× **	
Paving: Vehicle Access Areas		£45 000	
Renovated Public Vehicle Access	45,000 square yards 270 LF at 35 feet width	\$45,000 \$40,000	
New Public Vehicle Access	270 LF at 35 feet width	\$40,000	
Paving: Parking (155 total spaces)			
90 degree	\$650 / space	\$81,250	Y
60 degree	\$850 / space	\$25,500	
Sidewalks	7,000 LF at 5 feet width	\$175,000	
Landscaping	200,000 square feet	\$100,000	
Buildings			
Community & Interpretive Center	11,000 sq.ft. building + 24,000 sq.ft.	\$1,540,250	
Day Care Center	3,000 sq.ft. building + 8,000 sq.ft. si	te \$286,000	
New Commercial Building	5,000 sq.ft. building	\$550,000	
New Commercial Building	6,500 sq.ft. building	\$693,000	
Townhouses	29 units / 1,500 sq.ft. + garage	\$3,233,500	
Detached Single-Family Houses	2,033 sq.ft. average size + garage	\$216,000	
	Subtotal	\$6,985,500	
	Soft Costs at 15%	\$1,047,825	
	Contingency at 5%	\$401,666	
SUBTOTAL		\$8,434,991	
Renovated Commercial	Shell renovation not including tenant up fit	\$2,252,500	
TOTAL COSTS		\$10,687,491	

## **Market Strategy**

### **Business Recruitment Strategies**

For most downtown areas, the retention and expansion of existing businesses is as important, if not more important, than new business recruitment. However, this is not the case for the Douglas Block area with respect to some of its existing businesses. While it is not recommended that actions be taken to discourage the continuation of any of these existing businesses, clearly some are more in keeping with the future vision for the Douglas Block than are others. For example, the existing used auto sales business on East Thomas Street and the heating and air conditioning business on N.E. Main Street are inconsistent with the recommended optimal tenant mix, while uses such as hair salons and barber shops are much more compatible. However, even less compatible existing uses can be physically enhanced to allow them to peacefully coexist within the Douglas Block area. Simple measures such as peripheral landscaping and discouraging excessively large signage can go far in making these businesses friendlier neighbors.

One key to successful business recruitment will be to implement the many physical improvements recommended in this plan. Furthermore, business recruitment efforts require organization, so the first step is to identify an existing entity or create a new entity to be the leader in the process of recruiting businesses to the Douglas Block area. The following steps should be taken:

- Identify existing businesses elsewhere in Rocky Mount and the region that are consistent with the recommended tenant mix, in addition to any others that were not necessarily targeted, but might be inadvertently discovered.
- Pull together marketing packages to provide convincing evidence that targeted businesses should open a location in the Douglas Block. Marketing materials might include articles on positive improvements to downtown, excerpts from this plan, real estate information, and other data available through the Chamber of Commerce.
- Emphasize any specific potential incentives that might be made available to help lure them to the Douglas Block area (see the following plan section on funding and financial incentives).

- Identify specific buildings or building sites based upon this plan and the City's most recent inventory, and have general information available regarding owners' contacts, rental rates and overhead costs.
- Contact the targeted business owner/ operator and schedule an appointment to meet and discuss a possible relocation to the Douglas Block area.
- An appointed City staffer should offer to serve as a liaison with key people and entities, such as the City, utility companies, and property owners. If another existing or new entity becomes responsible for spearheading the Douglas Block's revitalization, they should serve that role.
- Add the business to the correspondence mailing list of the entity responsible for revitalizing the Douglas Block if there is the potential that the business may relocate there in the future. The entity should keep in touch with that business through periodic phone calls, visits and mailings.



News stands are most successful in areas with high volumes of pedestrian traffic, so it might be a more viable use once the Douglas Block area's revitalization has made substantial progress.

# **Funding & Financial Incentives**

### **Existing Funding & Incentives**

There are numerous possible sources of funding and financial incentives for the redevelopment of the Douglas Block area. For a complete summary of the most relevant programs, including the identification of which specific segments of this plan would be the most likely to benefit from these programs, please see Appendix C. Below is a brief list of the programs that are addressed in this appendix:

### Federal Funding & Incentives

- Federal Historic Rehabilitation Tax Credit
- Certified Local Government Program
- Save America's Treasures Program
- HOME Program
- Low & Moderate Income Housing Tax Credit
- New Markets Tax Credit Program
- Transportation Equity Act for the 21st Century
- Community Development Block Grants Program
- Section 108 Loan Guarantees
- · Small Business Programs
- National Endowment for the Arts Challenge America Grants
- Brownfields Economic Development Initiative

### **State Funding & Incentives**

- State Historic Rehabilitation Tax Credit
- State Development Zone Program
- State Low Income Housing Tax Credit
- State Park & Tree Grants
- Parks and Recreation Trust Fund (PARTF)
- North Carolina Arts Council Grants
- North Carolina Brownfields Program

### **Local Funding & Incentives**

- Municipal Service Districts
- Business Development Center

### Private Funding

- Community Reinvestment Act Financing
- Bank of America Historic Tax Credit Fund
- The Kresge Foundation Bricks & Mortar Program
- Consolidated Diesel Foundation
- Honeywell Foundation
- Hillsdale Fund
- Nicholas & Lucy Mayo Boddie Foundation

### **New Funding & Incentives**

Although many of the existing funding and incentive programs can be applied quite effectively to the Douglas Block study area, the options are quite limited with respect to potential new funding programs and incentives. In carefully considering all potential new tools for redevelopment, the two most promising would be tax increment financing (TIF) and property tax abatements for historic building rehabilitation. However, neither tool is permitted by North Carolina laws.

### Streetscape & Infrastructure Redevelopment

The City should consider either of two options for using streetscape and infrastructure improvements to stimulate private development:

### Municipal Service District

Although Municipal Service Districts (MSDs) are not a new tool, their application to the Douglas Block area would be new. Referred to in most places outside of North Carolina as business improvement districts (BIDs), MSDs are an allowable tool for revitalization and redevelopment under the North Carolina General Statutes. MSDs can be established by a city government to provide, finance, or maintain a variety of services, facilities, or functions within a specific area, including: installation of street lighting, landscaping, specialized street and sidewalk paving, or specially designed street signs and street furniture. Funds can also be used to improve the district's water, sewer, and gas mains, as well as on and off-street parking facilities. An MSD may also fund efforts to relieve traffic congestion, improve access, reduce crime, and generally promote the economic health within the district's boundaries. Several years ago, property owners along Church and Franklin Streets in Downtown Rocky Mount petitioned the City to establish an MSD to impose an additional property tax (.20 per \$100 valuation) to pay for moving utility lines underground. Upon approval by the City Council, the special district was implemented, power lines were buried, and additional tax revenues were dedicated to paying the costs. Although sufficient property owner support would be necessary, this approach should be explored for the Douglas Block area for the infrastructure improvements recommended in this plan.

### Full City Funding

A more costly but effective approach to attracting developer interest in the area would be complete City funding of streetscape and infrastructure enhancements. It is recommended that this approach be limited to areas in which firm committments for adjacent development have been secured beforehand.

# **Funding & Financial Incentives**

### Matching Funding & Incentives to Projects

For the following key recommendations of this plan, potential funding sources and financial incentives are listed (because of the lack of predictability regarding philanthropic foundation funding, those sources have not been included here):

### Restoration of Historic Buildings

Key examples include the Douglas Building, Booker T. Theatre, and others.

- Federal Rehabilitation Tax Credit (federal) building rehabilitation costs
- Certified Local Government Program (federal)
   stabilization and rehabilitation studies
- Save America's Treasures Programs (federal)
   acquisition, rehabilitation costs, etc.
- HOME Program (federal) upper floor apartments
- Low & Moderate Income Housing Tax Credit (federal) – upper floor apartments
- Community Development Block Grants (federal) acquisition, rehabilitation costs, etc.
- Section 108 Loan Guarantees (federal) acquisition, rehabilitation costs, etc.
- State Historic Rehabilitation Tax Credit (state)
   building rehabilitation costs
- State Low-Income Housing Tax Credit (state)
   upper floor apartments
- Community Reinvestment Act Financing (private) acquisition/rehabilitation loans
- Bank of America Historic Tax Credit Fund (private) – equity for rehabilitation costs

### Development of New Housing

Key examples include the proposed townhouses and upper floor apartments.

- Federal Rehabilitation Tax Credit (federal) upper floor apartments in historic buildings
- HOME Program (federal) new townhouses
- Low & Moderate Income Housing Tax Credit (federal) – new townhouses
- Community Development Block Grants (federal) land acquisition, development costs
- Section 108 Loan Guarantees (federal) land acquisition, development costs, etc.
- Brownfields Economic Development Initiative (federal) - land reclamation
- North Carolina Brownfields Program (state) land reclamation

State Historic Rehabilitation Tax Credit (state)

- apartments in historic buildings

State Low-Income Housing Tax Credit (state)
- new townhouses

Community Reinvestment Act Financing (private) – land acquisition/development loans

# Land Acquisition and/or Development of Community Facilities

Key examples include the Community & Interpretive Center, day care center, farmers market, parking lots, and park.

• TEA-21 (federal) – new parking lots and bicycle facilities

Community Development Block Grants (federal) – land acquisition, development costs Section 108 Loan Guarantees (federal) – land acquisition, development costs, etc.

Brownfields Economic Development Initiative (federal) - land reclamation

North Carolina Brownfields Program (state) - land reclamation

State Park & Tree Grants (state) – park development, street trees, landscaping parking North Carolina Arts Council Grants (state) – architectural design, murals

 Community Reinvestment Act Financing (private) – land acquisition/development loans

### **Public Infrastructure**

Key examples include sewer, water, electrical, gas and telecommunications lines, as well as drainage facilities and new streetscapes.

- TEA-21 (federal) streetscape redevelopment
- Community Development Block Grants (federal) all forms of public infrastructure
- Section 108 Loan Guarantees (federal) all forms of public infrastructure

### **Cultural Programs**

Key examples include an arts program at the Community & Interpretive Center, arts-related festivals, historic interpretation, and educational programs associated with day care.

- Certified Local Government Program (federal)
   historic interpretation
- Save America's Treasures Programs (federal)
   historic interpretation
- TEA-21 (federal) historic interpretation
- National Endowment for the Arts Challenge America Grants (federal) - arts programs
- North Carolina Arts Council Grants (state) arts programs, cultural festivals

# **Funding & Financial Incentives**

### **Business Development**

Key examples include consultation, information and business recruitment strategies.

- Community Development Block Grants (federal) – all forms of business development
- Section 108 Loan Guarantees (federal) all forms of business development
- Small Business Programs (federal) all forms of business development
- State Development Zone Program (state) equipment investment and job creation
- Business Development Center (local) limited to consultation and education
- Community Reinvestment Act Financing (private) - business loans



Most successful urban revitalization projects require a combination of public subsidation, private sector investment, and a health dose of "sweat equity."

# **Implementation: The Role of the City**

While the success of this project will rely on numerous players, including local lenders, entrepreneurs, and the community at large, the City will undoubtedly need to play a critical role. Below is a summary of their needed support to the project:

### Organization

Clearly, the Douglas Block's successful revitalization will require a single entity to lead the effort. While it is not recommended that an entire new bureaucracy be created, at least one individual armed with sufficient resources should be responsible for spearheading the project. A qualified City employee, whether existing or newly hired, would be the most logical candidate.

### Infrastructure Enhancements

These improvements will include any necessary utility upgrades, such as water, sewer, gas, electrical and telecommunications lines, to provide the necessary capacity needed for future build-out of the site. Streetscape improvements would include drainage facilities, curbs, sidewalks, street lights, shade trees and streetscape furnishings (trash receptacles, benches, tree grates, etc.).

### **Development of Public Facilities**

The major proposed facilities include parking lots, the community/interpretive center and park/amphitheatre, and daycare center. These projects will represent the City's largest single capital outlays for the entire Douglas Block project. However, in addition to serving Douglas Block area stakeholders, these facilities will also serve the community at large and, politically, should be viewed in this light.

### Land Assemblage

Many communities regularly use their legal authority to condemn private property in order to assemble it for redevelopment. It is hopeful that the area's current private land owners will willingly participate in the revitalization of the area so that this power will not need to be considered. However, the potential complexity and costs of redeveloping the subject properties in accordance with this plan will likely be beyond the capability of owners without sufficient financing and experience with such projects. Regardless, the City may choose not to pursue the option of condemnation, but it should be kept in mind as a last resort if necessary. Prior to any future land acquisition, the City would need

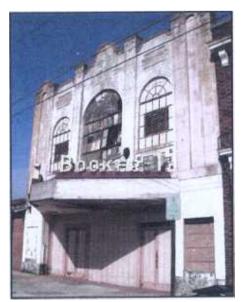
to research liability issues related to potential environmental hazards.

### **Public Policy Revisions**

Key revisions would include the designation of a local design review overlay district for the area to insure that historic rehabilitation is consistent with federal standards, and to require that infill development is consistent with this plan's infill design principles. Likewise, the underlying land use zoning should be adjusted as needed to better accommodate this plan with respect to permitted land uses and densities.

### Partnering on Key Developments

The City will need to determine early in the project to what extent it may want to partner in some of the study area's key development projects. Assuming that the private sector will not undertake them on their own, the two most likely candidates for a public-private partnership are the Booker T. Theatre and the Douglas Building. While there are numerous options for structuring such a partnership, it might include the property owner, the City and a private developer. A request for proposal process (RFP) might also be used to attract developer interest. In many cases, City's step in to provide gap financing if it is determined that the project costs will exceed the financial viability of the project without subsidies. The City should be prepared to face that issue.



Although it is privately owned, the Booker T. Theatre represents the greatest opportunity for a public-private partnership for its rehabilitation.

# **Implementation Schedule: Overview**

The 26 proposed physical improvements listed in matrix form on page 43 are explained elsewhere in this plan on the page number cited to the immediate right of each proposal. While the suggested starting year for each of the six phases is provided below, no ending year is given because of the lack of predictability and the need for some phasing overlaps. A total of ten years are estimated for project completion.

### **Time-Frame**

Phase 1: Beginning Year One

Phase 2: Beginning Year Two

Phase 3: Beginning Year Three

Phase 4: Beginning Year Five

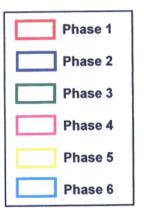
Phase 5: Beginning Year Seven

Phase 6: Beginning Year Eight

The phase number of each proposed improvement on page 43 is accompanied with a letter. The letter indicates the order of priority and/or phasing of that proposal relative to the other proposals within that particular phase. In general, the proposed phasing is designed to first save some key historic resources in the race with time, and then to build upon the area's existing strengths.

It is important to note that the proposed sequencing and specific time-frames offer a logical approach, but should remain flexible so that changing circumstances and market opportunities can be accommodated. For example, if a property owner should choose to rehabilitate a historic building during Phase 1 that is proposed in the plan to occur in Phase 3, such initiative should certainly be encouraged. Also, community gardens, recommended on page 12, should be considered as an interim use for vacant land awaiting development. With that background in mind, an explanation of each proposed phase of work is provided on page 42.







Community gardens would be an excellent interim use for vacant land awaiting development. There may even be opportunities to retain small gardens after full build-out occurs.

# **Implementation Schedule: Phasing Descriptions**

### Phase 1: Beginning Year One

This phase includes only two projects: the rehabilitation of the Booker T. Theatre and the Douglas Building. These projects should receive the greatest and most immediate priority because of their symbolic significance to the community and the area, as well as their fragile condition and need of urgent care—especially the theatre building. It is hoped that their successful rehabilitation will attract the attention, excitement and momentum necessary to propel this project towards future success. As part of this project, the proposed single row of parking behind the commercial buildings fronting E. Thomas should also be developed in order to make the rehabilitated buildings capable of being leased/used.

### Phase 2: Beginning Year Two

This second phase will feature the provision of utility upgrades and new streetscapes on E. Thomas Street and portions of N.E. Main, Atlantic and Albemarle. It will also entail converting E. Thomas and Albemarle back to two-way traffic. It is hoped that the utility and streetscape improvements, among other incentives, will help to stimulate the Phase 3 rehabilitation and infill development.

### Phase 3: Beginning Year Three

This phase will feature both the rehabilitation of historic buildings and new infill commercial development along E. Thomas Street. Rehabilitation should be the top priority, to include the former Manhattan Theatre, the two-story brick building on the northwest corner of E. Thomas and Albemarle, and the one-story building on the northeast corner of E. Thomas and Albemarle. The second priority for this phase will be the new infill development based upon this plan's recommended infill design principles. As part of this phase, two large parking areas will need to be developed. The largest lot is proposed directly east of the proposed amphitheatre, while the other parking is located just north of the buildings fronting onto the corner of E. Thomas and Atlantic.

### Phase 4: Beginning Year Five

Phase 4 will include the development of two public facilities: the community/interpretive center and park/amphitheatre, and the day care center. The community/interpretive center will draw people from all across Rocky Mount to become more aware of the Douglas Block area and to have a positive experience. This

venues and its activities will also serve as marketing tools to expose people to the extensive improvements along E. Thomas Street, thereby further enhancing the area's image. Along with the new day care center, this project will provide amenities that will make the area more attractive to future residents per Phase 6 of the Douglas Block project. This phase will also require the development of associated parking for these two facilities, as well as the construction of the proposed new westerly segment of Ivy Street.

### Phase 5: Beginning Year Seven

This phase will represent the City's final major construction expenses in the area to attract private sector development. It will entail utility upgrades and streetscape enhancements for E. Goldleaf, the existing eastern segment of Ivy Street, and the northern halves of N.E. Main and Albemarle, as well as the development of the new alley located between N.E. Main and Albemarle. This work will be necessary to attract the new infill development sought for the final phase of the project, and to finish off the project in general.

### Phase 6: Beginning Year Eight

As the final phase, Phase 6 completes the project's gradual northerly progression of revitalization to E. Goldleaf Street. This phase of infill development will consist primarily of townhouses flanking both sides of the northern half of Albemarle, in addition to a few single-family homes on Ivy and Atlantic. Given that the residential market is currently one of the weakest of all real estate sectors in Rocky Mount with respect to market demand, saving this development for the last phase will hopefully buy time for the local housing market to bounce back. Also, a small commercial or institutional building, perhaps relating to the adjacent community/interpretive center, might be constructed on the northeast corner of N.E. Main and Ivy during this final phase.



Public investments in infrastructure will be intended to stimulate adjacent private sector development.